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Moore
Corporation
Limited
Annual
Report
1975



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Corporate Office

330 UNIVERSITY AVENUE, TORONTO M5G 1S3

Transfer Agents

NATIONAL TRUST COMPANY, LIMITED

21 King Street East, Toronto M5C 1B3

1350 Sherbrooke Street West, Montreal H3G 1J1

250 Portage Avenue, Winnipeg R3C 0B5

330 9th Avenue S.W., Calgary T2P 1K7

510 Burrard Street, Vancouver V6C 2J7

BANKERS TRUST COMPANY

485 Lexington Avenue, New York, N.Y. 10017

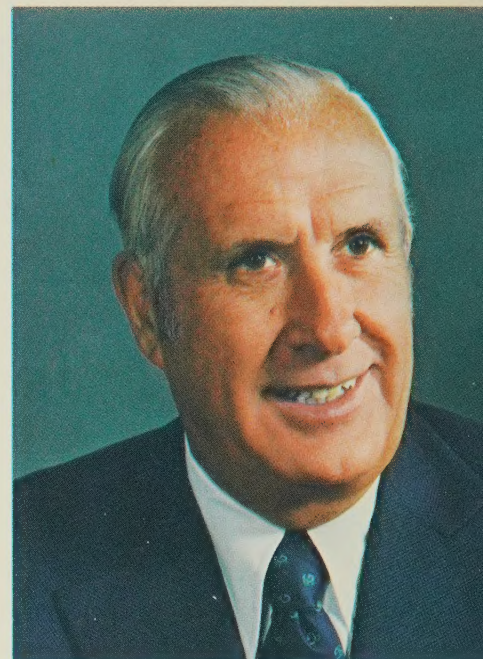


Moore Corporation Limited

Financial Highlights

Expressed in United States currency

	1975	1974
SALES	\$1,005,610,000	\$1,032,192,000
EARNINGS BEFORE INCOME TAXES, MINORITY INTERESTS AND EXTRAORDINARY ITEM . . .	\$ 155,063,000	\$ 170,924,000
Per dollar of sales	15.4¢	16.6¢
INCOME TAXES	\$ 83,597,000	\$ 91,825,000
Per dollar of sales	8.3¢	8.9¢
EARNINGS BEFORE EXTRAORDINARY ITEM	\$ 69,512,000	\$ 72,725,000
Per dollar of sales	6.9¢	7.0¢
Per share	\$ 2.48	\$ 2.60
NET EARNINGS	\$ 69,512,000	\$ 74,725,000
Per dollar of sales	6.9¢	7.2¢
Per share	\$ 2.48	\$ 2.67
DIVIDENDS.	\$ 33,621,000	\$ 26,894,000
Per share	\$ 1.20	96¢
EARNINGS RETAINED IN BUSINESS	\$ 35,891,000	\$ 47,831,000
CURRENT ASSETS	\$ 424,105,000	\$ 443,393,000
CURRENT LIABILITIES.	136,386,000	181,317,000
WORKING CAPITAL.	\$ 287,719,000	\$ 262,076,000
Ratio of current assets to current liabilities	3.1 to 1	2.4 to 1
SHAREHOLDERS' EQUITY	\$ 397,278,000	\$ 358,398,000
Per share	\$ 14.18	\$ 12.79
Shares outstanding	28,017,546	28,017,146
EXPENDITURE FOR FIXED ASSETS . .	\$ 35,503,000	\$ 56,937,000



D. W. BARR



R. W. HAMILTON



Moore
Corporation
Limited

Report to the Shareholders

The year 1975 was characterized by a severe world-wide economic recession which was felt by most industrialized nations. This recession, combined with a consequent substantial liquidation of inventories, adversely affected the demand for business forms. Despite this extremely difficult business environment the results for 1975 were the second best in the history of the Corporation, trailing the record 1974 performance by a small margin.

Total sales amounted to \$1,005.6 million, representing a decrease of 2.6% from the comparable figures for 1974. When the effect of inflation on price levels is taken into consideration the sales decline, based on a constant dollar comparison, would be much greater. The reduction was most notable in large accounts, particularly those using substantial quantities of stock computer forms. Forward buying by these accounts in 1973 and 1974 and the subsequent inventory liquidation, occasioned by the general decline in business conditions, contributed significantly to the lower sales in 1975. Towards the end of the year there were signs of a recovery in the United States market where accepted orders in the last quarter exceeded each of the preceding quarters of the year.

During the year several computer manufacturers introduced new lines of small computers which should have a very beneficial effect on the demand for business forms. With its broad market coverage, Moore is in an excellent position to service the forms requirements of customers using these small computers and Corporate Marketing is following these developments closely to ensure that Moore participates fully in the forms business being generated.

Net earnings of \$69.5 million or \$2.48 per share in 1975 compare with \$72.7 million or \$2.60 per share in 1974. While this represents a decline of 4.4% in earnings compared with 1974, the 1975 earnings reflect an increase of more than 25% over the level recorded in 1973.

Because the value of most of the world's major currencies declined in 1975 when expressed in terms of the United States dollar, net earnings include a net unrealized exchange loss of \$2.2 million, equal to 8¢ per share. The substantial deterioration in the value of sterling accounted for a major portion of this exchange loss.

The combination of world-wide recession and heavy redundancy costs associated with discontinued and reduced operations had a serious impact on the earnings of Lamson Industries Limited. While no contribution was made to consolidated net earnings in 1975, the long range outlook for Lamson remains good.

Late in 1974 a major cost reduction program was introduced to help counteract the effects of the economic slow down. This program was continued throughout 1975 and was particularly effective in maintaining profit margins in the United States and Canadian operations and partially counteracted the several pressures on profit margins in other areas.

The anti-inflation price and income controls announced by the Canadian Government in October 1975 will affect only the Canadian operations, which accounted for 10% of the Corporation's sales in 1975. However, quarterly dividends declared during the year ending October 13, 1976 may not exceed the current rate of 30¢ per share.

The central departments' support of the operating divisions has been significantly strengthened. This change should result in the acceleration of programs for improved market penetration, the development of new products and the consideration of new areas for corporate expansion. A major effort in corporate development has been initiated to ensure the continuity of Moore as a growth company.

While recovery from the economic recession has been slow, there are indications that an improving trend is developing in the United States, Japan and some European countries. It is felt that this improvement will spread to the other countries served by Moore and accordingly it is anticipated that the year 1976 will record a significant improvement over the results of 1975.

Elsewhere in the report is a list of the changes in the directors, officers and executives, but the Board would like to call particular attention to the retirement of W. Herman Browne effective December 31, 1975 after fifty years of service. During his tenure Mr. Browne served with distinction as Chairman, President, Executive Vice-President and Secretary, and made an invaluable contribution to the success of the Corporation which achieved new records under his guidance.

The organization and its employees throughout the world were severely tested in 1975 due to depressed economic conditions. The results which were achieved reflect the complete cooperation of every employee and the Corporation is grateful to all of them, its customers and its suppliers for their support during 1975.

On behalf of the Board,

D. W. BARR
Chairman

R. W. HAMILTON
President



Review of Operations for the Year 1975

all figures are expressed in United States currency

Sales and Earnings

Consolidated sales at \$1,005.6 million were \$26.6 million or 2.6% below the record level of the previous year. A comparative analysis of sales by product and by geographic area follows:

	1975		1974	
Sales by product: (millions)				
Business forms and related product lines	\$ 956.9	95%	\$ 984.4	95%
Custom packaging	48.7	5	47.8	5
	<u>\$1,005.6</u>	<u>100%</u>	<u>\$1,032.2</u>	<u>100%</u>
Geographic distribution of sales: (millions)				
United States	\$ 612.7	61%	\$ 635.0	61%
Canada	99.1	10	93.6	9
Mexico, Central and South America and the Caribbean	30.6	3	33.0	3
Great Britain	87.0	9	91.0	9
Europe	115.5	11	120.4	12
Africa	16.5	2	16.6	2
Australasia	40.8	4	39.2	4
Other countries	3.4	—	3.4	—
	<u>\$1,005.6</u>	<u>100%</u>	<u>\$1,032.2</u>	<u>100%</u>

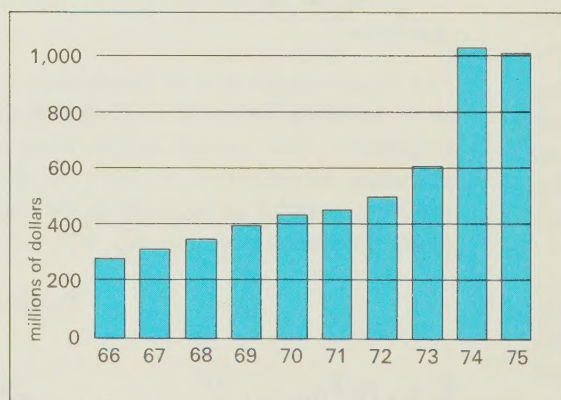
Consolidated net earnings of \$69.5 million amounted to \$2.48 per share. Comparable earnings in 1974 were \$72.7 million or \$2.60 per share.

During the year, the United States dollar strengthened against most foreign currencies with the result that a net unrealized exchange loss occurred upon translation of the financial statements of the operating companies outside the United States. This loss, explained in Note 9 of the Notes to Consolidated Financial State-

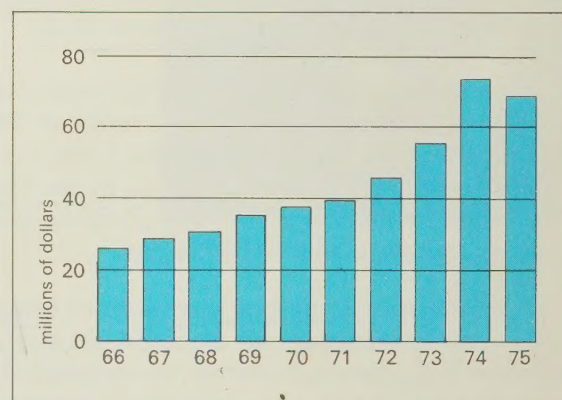
ments, reduced net earnings by \$2.2 million or 8¢ per share.

At the beginning of 1975, the equity method of accounting was adopted for the Corporation's share of the earnings underlying its minority investments in the business form companies located in Japan, El Salvador and Venezuela. This change in accounting, detailed in Note 2 of the Notes to Consolidated Financial Statements, increased net earnings for the year by \$.9 million or 3¢ per share.

Sales



Net Earnings



Moore and Lamson operating results for 1975 compared with 1974 are shown in the following schedule.

	Sales (millions)		Earnings before minority interests and extraordinary item (millions)	
	1975	1974	1975	1974
Moore	\$ 743.6	\$ 762.9	\$70.8	\$70.1
Lamson	263.2	270.7	6.2	15.2
	1,006.8	1,033.6	77.0	85.3
Net unrealized exchange loss	—	—	5.4	—
Consolidation adjustments	1.2	1.4	.1*	6.2*
	<u>\$1,005.6</u>	<u>\$1,032.2</u>	<u>\$71.5</u>	<u>\$79.1</u>

* Consolidation adjustments in each year include:

	1975	1974
Elimination of inter-company dividends	\$ 2.2	\$ 2.5
Items not included in earnings in Lamson accounts		
—provision for pensions	.2	.8
—loss (gain) on foreign currency loans	(.7)	2.4
—goodwill	(.5)	—
—prior years' deferred tax	(1.5)	—
Other	.4	.5
	<u>\$.1</u>	<u>\$ 6.2</u>

After giving effect to the unrealized exchange loss relating to Lamson, adjusting for the interest of minority shareholders and deducting the amortization of goodwill and the carrying charges associated with the acquisition of the majority interest, Lamson made no contribution to consolidated net earnings. In 1974, the Lamson contribution was equivalent to 12¢ per share.

Dividends and Retained Earnings

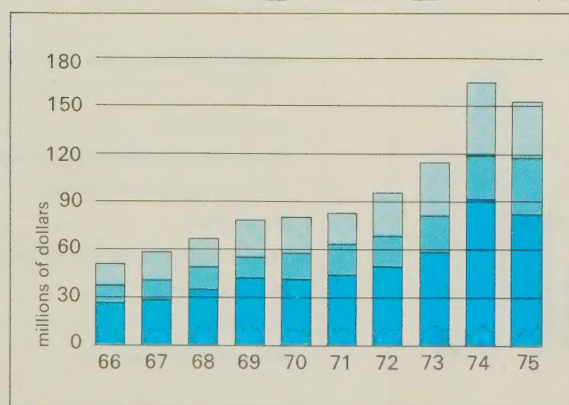
Four quarterly dividends of 30¢ per share were declared on the outstanding Common shares. Total dividends for the year amounted to \$33.6 million or \$1.20 per share compared with \$26.9 million or 96¢ per share in 1974. The balance of net earnings, \$35.9 million, was retained in the business.

Consolidated Balance Sheet

The consolidated balance sheet continues to reflect the sound financial position of the Corporation. Working capital at the end of the year increased to \$287.7 million from \$262.1 million a year earlier. Current assets were 3.1 times current liabilities compared with a ratio of 2.4 at the end of 1974. A substantial part of the improvement in working capital is due to the reduced level of capital expenditure in 1975. Further details of the increase in working capital are provided in the Consolidated Statement of Changes in Financial Position on page 11.

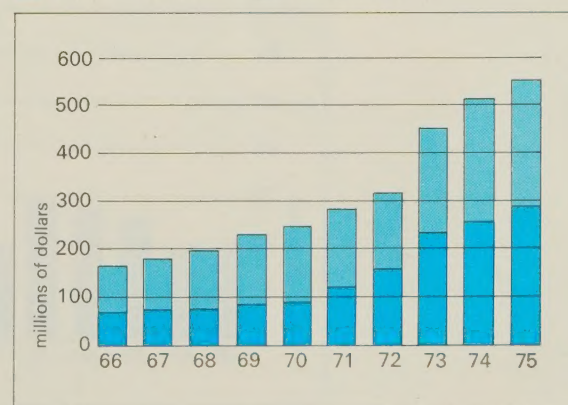
Distribution of Earnings

Retained in Business Dividends Income Taxes



Capital Employed and Working Capital

Capital Employed Working Capital



The investment in short-term securities increased to \$75.3 million from \$20.0 million at the beginning of the year, as a result of reductions in both inventories and accounts receivable reflecting the decline in general business in 1975.

Capital Expenditures

Expenditures for fixed assets in 1975 were \$35.5 million, including \$9.9 million for Lamson Industries Limited. The distribution of the 1975 expenditure is as follows:

	Land and buildings	Machinery and equipment
	(\$000)	
United States	\$2,264	\$16,920
Canada	82	2,577
Mexico, Central and South America and the Caribbean	589	3,153
Great Britain	1,069	2,944
Europe	238	3,989
Africa	95	677
Australasia	110	764
Other countries	—	32
	<u>\$4,447</u>	<u>\$31,056</u>

Research and Marketing

A staff of Moore professionals working in the fields of mechanical, electrical and chemical engineering, mathematics and marketing continue to make important contributions to Moore's position of leadership in the business forms industry. Technological and market changes are monitored closely with particular emphasis on their impact on current and future uses of paper and carbon, forms system applications and on manufacturing equipment and processes. The work of these professionals is closely coordinated with that of operating personnel in forms design engineering, manufacturing and sales to

ensure that the Moore customer is provided with a quality product that has been carefully designed and printed to meet his particular systems application and data recording requirements.

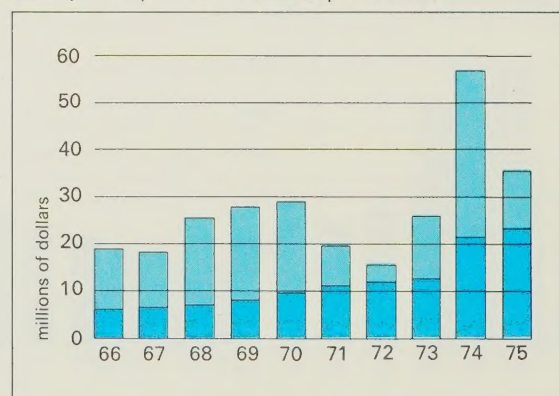
During 1975 the volume of carbonless business forms manufactured by Moore continued to grow, and the majority of these forms utilize Moore Carbonless Paper, thereby realizing the customer acceptance anticipated for this proven and patented product. Speedily, a new construction of the popular Speediset form, is manufactured from Moore Carbonless Paper, and features an innovative fastening that does not require a disposable stub, saves paper and brings other new features to a well-established product line. Its introduction in early 1976 is expected to generate considerable user interest.

Compurite capabilities have been significantly expanded. This product offering is a Moore development which combines a computer and a printing press in a simultaneous printing operation. This technology now permits the addition of a product/system feature called Digi-Check which alerts the customer's operator if a consecutive number has been incorrectly entered into the computer. Marketing studies have determined that there is a latent market of considerable size for this new capability and early customer response is encouraging. In addition, further development work toward Compurite printing that can be read by Optical Character Recognition equipment is well underway. Greater market penetration, improved quality, and reduced cost of manufacture for Compurite were accomplished in 1975.

The Moore Portable Register line was completely re-styled in modern plastics. This development has been enthusiastically received in the marketplace.

Capital Expenditures and Depreciation

Capital Expenditures Depreciation



Distribution of Revenue

	1975	1974
Sales and investment and other income	100.0%	100.0%
<i>Used as follows:</i>		
Wages, salaries and employee benefits	31.3	29.0
Materials, supplies and services	50.3	51.6
Depreciation	2.3	2.1
Taxes—Income, property and other	9.0	9.5
Minority Interests2	.6
Dividends	3.3	2.6
Retained in Business	3.6	4.6

The first model of a new line of "after-writing" forms handling equipment, the Model 385 Continuous Forms Detacher, reached the national and international markets at mid-year with its acceptance meeting all expectations.

A program designed to gain maximum penetration of the general business small computer supplies market was undertaken with encouraging results. In addition, stock hospital forms and bank card forms programs were announced and these markets were vigorously pursued.

Changes in Directors, Officers and Executives

At the end of the year, W. Herman Browne resigned as chairman of the board. Mr. Browne served the Corporation with great distinction for fifty years. He has been appointed an honorary director.

V. William Scully, a valued director since 1967, having attained the age limit for service on the board, did not stand for re-election at the annual meeting in April. Edward H. Crawford, president of The Canada Life Assurance Company, was then elected a director to succeed Mr. Scully who has been appointed an honorary director.

We record with sorrow the death in December of Graham F. Towers, a distinguished former director and honorary director of the Corporation.

Effective January 1, 1976, David W. Barr, formerly president, was elected chairman of the board, and Richard W. Hamilton, formerly executive vice-president was elected president. Also, Judson W. Sinclair, formerly vice-president and treasurer, was elected senior vice-presi-

dent—finance and Donald S. Dunlop, formerly an assistant treasurer, was elected treasurer.

Charles S. Roush, formerly general manager of the Rediform Office Products Division of Moore Business Forms, Inc., retired at the end of the year following forty-one years of valued service with Moore. Clayton J. Barth, formerly general sales manager of that Division, has been appointed its general manager.

Shareholders

As in past years, ownership of the shares of the Corporation continues to be widely distributed. There were 20,198 shareholders at the end of 1975, including 8,200 institutional investors. The latter comprise a wide range of mutual funds, other investment companies, insurance companies, banks, pension trusts and estates. At the end of 1974 there were 20,668 shareholders.



Moore
Corporation
Limited
and subsidiary corporations

Consolidated Balance Sheet

Expressed in United States currency

ASSETS

	AS AT DECEMBER 31	
	1975	1974
CURRENT ASSETS		
Cash	\$ 12,263,000	\$ 11,845,000
Short-term securities, at cost which is approximate market value	75,265,000	19,990,000
Accounts receivable	180,046,000	198,548,000
Inventories	152,698,000	208,748,000
Prepaid expenses	3,833,000	4,262,000
TOTAL CURRENT ASSETS	424,105,000	443,393,000
FIXED ASSETS		
Land	27,111,000	26,990,000
Buildings	111,120,000	107,482,000
Machinery and equipment	321,807,000	298,045,000
	460,038,000	432,517,000
Less: Accumulated depreciation	172,449,000	155,155,000
	287,589,000	277,362,000
INVESTMENT IN ASSOCIATED CORPORATIONS (Note 2)	7,298,000	3,543,000
OTHER ASSETS (Note 3)	18,161,000	16,915,000
	\$737,153,000	\$741,213,000

LIABILITIES

	AS AT DECEMBER 31	
	1975	1974
CURRENT LIABILITIES		
Bank loans	\$ 22,971,000	\$ 37,715,000
Accounts payable and accruals	90,469,000	108,276,000
Dividends payable	8,405,000	8,405,000
Accrued income taxes	14,541,000	26,921,000
TOTAL CURRENT LIABILITIES	136,386,000	181,317,000
LONG-TERM DEBT (Note 4)	92,082,000	93,248,000
DEFERRED INCOME TAXES AND LIABILITIES (Note 5)	51,596,000	48,172,000
EQUITY OF MINORITY SHAREHOLDERS IN SUBSIDIARY CORPORATIONS	59,811,000	60,078,000
	339,875,000	382,815,000

SHAREHOLDERS' EQUITY

COMMON SHARES (Note 6)

Authorized 31,779,264 shares without par value		
Issued and outstanding 28,517,546 shares (28,517,146 shares in 1974)	33,706,000	33,698,000
RETAINED EARNINGS	378,180,000	339,308,000
	411,886,000	373,006,000
Less: Cost of 500,000 shares of the Corporation held by a subsidiary corporation	14,608,000	14,608,000
	397,278,000	358,398,000

Approved by the Board of Directors:



Director



Director

\$737,153,000

\$741,213,000



Moore
Corporation
Limited
and subsidiary corporations

Consolidated Statement of Earnings

Expressed in United States currency

	FOR THE YEAR ENDED DECEMBER 31	
	1975	1974
Sales	\$1,005,610,000	\$1,032,192,000
Cost of sales, selling and administrative expenses (Note 9)	832,601,000	844,403,000
Depreciation	23,136,000	21,592,000
	855,737,000	865,995,000
Income from operations	149,873,000	166,197,000
Investment and other income (Note 2)	5,190,000	4,727,000
Earnings before income taxes, minority interests and extraordinary item	155,063,000	170,924,000
Income taxes	83,597,000	91,825,000
Earnings before minority interests and extraordinary item	71,466,000	79,099,000
Minority interests (Note 9)	1,954,000	6,374,000
Earnings before extraordinary item	69,512,000	72,725,000
Extraordinary item (Note 8)	—	2,000,000
NET EARNINGS	<u>\$ 69,512,000</u>	<u>\$ 74,725,000</u>
EARNINGS PER SHARE (Note 10)		
Before extraordinary item	\$2.48	\$2.60
After extraordinary item	\$2.48	\$2.67

Consolidated Statement of Retained Earnings

Expressed in United States currency

	FOR THE YEAR ENDED DECEMBER 31	
	1975	1974
Balance at beginning of year	\$ 339,308,000	\$ 291,477,000
Adjustment for accounting change effective January 1, 1975 (Note 2)	2,981,000	—
Net earnings	69,512,000	74,725,000
	411,801,000	366,202,000
Dividends \$1.20 per share (96¢ in 1974)	33,621,000	26,894,000
BALANCE AT END OF YEAR	<u>\$ 378,180,000</u>	<u>\$ 339,308,000</u>

Consolidated Statement of Changes in Financial Position

Expressed in United States currency

	FOR THE YEAR ENDED DECEMBER 31	
	1975	1974
SOURCES OF WORKING CAPITAL		
Earnings before extraordinary item	\$ 69,512,000	\$ 72,725,000
Items not requiring current outlays of working capital, principally depreciation, deferred income taxes and minority interests	29,316,000	36,646,000
Working capital from operations	98,828,000	109,371,000
Additions to long-term debt	8,307,000	12,877,000
Sale of fixed assets	1,494,000	6,382,000
Common shares issued	8,000	547,000
Other sources	530,000	546,000
	<u>109,167,000</u>	<u>129,723,000</u>
APPLICATIONS OF WORKING CAPITAL		
Expenditure for fixed assets	35,503,000	56,937,000
Dividends	33,621,000	26,894,000
Investment in associated corporations	46,000	850,000
Dividends paid by subsidiaries to minority interests	2,055,000	2,403,000
Deferred charges	838,000	1,953,000
Reductions in long-term debt	7,539,000	6,431,000
United Kingdom Advance Corporation Tax	2,414,000	512,000
Other applications	1,508,000	1,276,000
	<u>83,524,000</u>	<u>97,256,000</u>
INCREASE IN WORKING CAPITAL	25,643,000	32,467,000
WORKING CAPITAL AT BEGINNING OF YEAR	262,076,000	229,609,000
WORKING CAPITAL AT END OF YEAR	<u>\$287,719,000</u>	<u>\$262,076,000</u>



Notes to Consolidated Financial Statements

YEAR ENDED DECEMBER 31, 1975

Expressed in United States currency

NOTE 1 SUMMARY OF ACCOUNTING POLICIES

Principles of consolidation:

Moore Corporation Limited is incorporated under the laws of the Province of Ontario, Canada.

The consolidated financial statements include the accounts of Moore Corporation Limited and all of its subsidiary corporations.

Translation of foreign currencies:

The consolidated financial statements are expressed in United States currency because the greater part of the assets, liabilities and earnings are located or originate in the United States. Canadian and other currencies have been translated into United States currency on the following bases:

Current assets, current liabilities, pension liabilities, long-term receivables and long-term debt at the year-end rates of exchange;

All other assets, liabilities, accumulated depreciation and related charges against earnings, and share capital, at historical rates of exchange;

Income and expenses, other than depreciation, at average exchange rates during the year.

Net unrealized losses arising on translation of foreign currencies are charged to earnings. Net unrealized gains are deferred and included in accounts payable and accruals to the extent they exceed any losses previously charged to earnings.

Realized exchange gains or losses are included in earnings.

Inventories:

Inventories of raw materials and work in process are valued at the lower of cost and replacement cost and inventories of finished goods at the lower of cost and net realizable value. The cost of the principal raw material inventories in Canada and the United States is determined on the last-in, first-out basis. The cost of all other inventories is determined on the first-in, first-out basis.

Fixed assets and depreciation:

Fixed assets are stated at historical cost after deducting investment tax credits and other grants on eligible capital assets. Depreciation is provided on a basis that will amortize the cost of depreciable assets over their estimated useful lives, generally using the straight-line method.

Gains or losses on the disposal of fixed assets are included in earnings and the cost and accumulated depreciation related to these assets are removed from the accounts.

Investment in associated corporations:

Commencing January 1, 1975, the Corporation accounts for its investment in associated corporations by the equity method.

Goodwill:

Goodwill represents the excess of the cost of shares in subsidiaries over the book value of their net assets at date of acquisition, less the portion thereof allocated to tangible assets, and is being amortized by the straight-line method over a period of forty years.

Amortization of deferred costs:

Deferred debenture costs are amortized over a ten-year period and deferred production engineering costs are amortized over varying periods not exceeding five years.

Income taxes:

The Corporation accounts for income taxes on the tax allocation basis which relates income taxes to the accounting income for the year.

The Companies Act of British Columbia:

The consolidated financial statements do not purport to comply with all disclosure requirements of The Companies Act of British Columbia.

NOTE 2 ACCOUNTING CHANGE

In 1974 and prior years, the Corporation recorded its investments in Toppan Moore Business Forms Co., Ltd., Moore Business Forms de Centro America, S.A. de C.V. and Formularios y Procedimientos Moore, S.A. at cost and income was recognized only to the extent of dividends received. Effective January 1, 1975, the Corporation adopted the equity method of accounting for these investments in associated corporations. The unamortized difference between the cost of the Corporation's investment in these corporations and the underlying book value of their net assets at dates of acquisition, amounting to \$146,000, has been included in goodwill. This change had the effect of increasing the carrying value of these investments at January 1, 1975 by \$2,835,000, of increasing retained earnings at the beginning of the year by \$2,981,000 and of increasing net earnings for the year by \$874,000 (3¢ per share).

Except for the reclassification of certain minor investments to Other Assets, the consolidated financial statements for 1974 have not been restated for this change in accounting.

NOTE 3 OTHER ASSETS

Other assets include goodwill, less amortization, amounting to \$11,008,000 (1974—\$10,746,000).

NOTE 4 LONG-TERM DEBT

	1975	1974
Moore Corporation Limited		
6% Convertible Subordinated Debentures due April 1, 1994 (Cdn. \$50,000,000)	\$49,212,000	\$50,474,000
Moore Business Forms, Inc.		
7.90% Senior Notes due October 1, 1996	20,000,000	20,000,000
6.75% Promissory Note due December 31, 1986	3,307,000	3,532,000
Other	480,000	540,000
Lamson Industries Limited and its subsidiaries		
Secured loans	3,554,000	2,534,000
Unsecured loans	12,040,000	13,963,000
Other Subsidiaries	3,489,000	2,205,000
	<u>\$92,082,000</u>	<u>\$93,248,000</u>

The 6% Convertible Subordinated Debentures are convertible at any time until April 1, 1984 into Common shares at a rate of 17 shares per \$1,000 (Cdn.) principal amount of debentures. Under certain circumstances debentures are redeemable from April 1, 1978 in accordance with the provisions and sinking fund requirements specified in the trust agreement. The trust agreement provides for a sinking fund, in respect of the retirement of the debentures, to commence in 1985.

The Promissory Note is secured by mortgages on certain properties.

The long-term debt of Lamson Industries Limited and its subsidiaries bears interest at rates ranging from 4.875% to 12.0%. These debts mature on varying dates up to 1992. Except for two loans in the amount of \$2,294,000, all loans

are payable in currencies other than United States dollars. The Lamson loans of \$3,554,000 are secured by assets of eight Lamson subsidiaries.

Payments of \$7,210,000 at December 31, 1975 and \$6,431,000 at December 31, 1974 on long-term debt due within one year are included in accounts payable and accruals. For the years 1977 through 1980 payments required on long-term debt are as follows: 1977—\$2,475,000; 1978—\$8,310,000; 1979—\$4,463,000; 1980—\$1,879,000. No repayments of principal are required on the Senior Notes until 1981.

NOTE 5 DEFERRED INCOME TAXES AND LIABILITIES

Deferred income taxes in the consolidated balance sheet amount to \$37,263,000 at December 31, 1975 and \$31,427,000 at December 31, 1974. Deferred liabilities include \$13,314,000 (1974—\$15,935,000) provided by Lamson Industries Limited and its subsidiaries for pensions under unfunded retirement plans (Note 7).

NOTE 6 COMMON SHARES

At December 31, 1975, Lamson Industries Limited held 500,000 shares of the Corporation, the cost of which on consolidation is deducted from shareholders' equity.

During 1975, 400 shares were purchased by holders of options for a cash consideration of \$8,000. Options expire on various dates not more than ten years from the dates granted, and the option price per share is equivalent to the market value on the date of the grant. Details of the options outstanding at December 31, 1975 are as follows:

Year granted	Price per share in Canadian currency	Number of shares
1966	\$20.47	3,100
1972	47.69	12,048
1973	49.38	22,200

As required by the provisions of the trust agreement relating to the 6% Convertible Subordinated Debentures, 850,000 authorized shares are reserved to meet the conversion privilege of the debentures.

NOTE 7 RETIREMENT PLANS

Based on the latest reports of independent consulting actuarial firms on the Corporation's United States and Canadian retirement plans, all vested benefits are fully funded and it is estimated that the obligations for pension bene-

fits expected to accrue and vest in the future which are related to prior service approximate \$18,100,000 as at December 31, 1975. These obligations will be recorded in the accounts and funded by annual payments over periods not exceeding twenty-six years.

On January 1, 1969, a funded contributory retirement plan was introduced for employees of Lamson Industries Limited and certain United Kingdom subsidiaries in respect of pensionable service from that date. There are also funded retirement plans for the employees in Australia and New Zealand and, since April 1, 1972, in South Africa. Current service costs under these plans are being charged to earnings and funded annually.

Pensionable service, prior to January 1, 1969 in the United Kingdom and prior to April 1, 1972 in South Africa, covered by former discretionary non-contributory retirement plans was assumed as a prior service obligation which is unfunded. In other countries where either state or funded retirement plans exist, there are certain small supplementary unfunded plans. The provision for pensions of \$13,314,000 referred to in Note 5 approximates the obligation for the accrued benefits under these unfunded plans as at December 31, 1975.

NOTE 8 CONSOLIDATED STATEMENT OF EARNINGS

The consolidated statement of earnings includes the following:

	1975	1974
Remuneration paid to directors and senior officers	\$ 721,000	\$ 595,000
Interest on long-term debt	7,178,000	7,454,000
Other interest expense	3,719,000	3,149,000
Amortization of deferred production engineering costs	361,000	682,000
Amortization of deferred debenture costs	129,000	128,000
Amortization of goodwill	291,000	339,000
Deferred income taxes	8,565,000	3,963,000
Equity in earnings of associated corporations	1,287,000	—
Extraordinary item—Profit on sale of land and building arising from the consolidation of the custom packaging operations in Canada, less tax of \$348,000	—	2,000,000

NOTE 9 ANALYSIS OF FOREIGN EXCHANGE (GAIN) LOSS

	Total	Lamson	Other
		(\$000)	
Balance sheet translation	\$5,409	\$5,996	\$(587)
Revaluation of foreign currency loans	(675)	(675)	—
Included in cost of sales, selling and administrative expenses	4,734	5,321	(587)
Allocation to minority interests	2,554	2,554	—
Included in net earnings	\$2,180	\$2,767	\$(587)
Per share	8¢		

At December 31, 1974, a balance sheet translation gain of \$703,000 was deferred in the consolidated balance sheet and a loss of \$2,400,000 on Lamson foreign currency loans was included in cost of sales, selling and administrative expenses. After allocation to minority interests, this loss reduced net earnings in 1974 by \$1,248,000 (4¢ per share).

NOTE 10 EARNINGS PER SHARE

The earnings per share calculations are based on the weighted average of the shares outstanding during the year after eliminating the 500,000 shares held by Lamson Industries Limited and after crediting the minority shareholders of Lamson with their portion of the earnings of the Corporation attributable to those shares.

If it were assumed that at the beginning of the year the 6% Convertible Subordinated Debentures had been converted into shares and all outstanding stock options had been exercised with the funds derived therefrom yielding an annual return of 5% net of tax, the earnings per share for the year would have been \$2.44.

NOTE 11 ANTI-INFLATION PROGRAM

The Canadian operations of the Corporation are subject to the anti-inflation price, compensation and shareholder dividend controls embodied in the Anti-Inflation Act and supporting Regulations which became effective on October 14, 1975. Dividends paid during the year ending October 13, 1976 may not exceed the current quarterly rate of 30¢ per share. The effect of the controls on the other areas of operations in Canada is not yet clear owing to uncertainties surrounding the interpretation of the Regulations.

NOTE 12 1974 CONSOLIDATED FINANCIAL STATEMENTS

Certain amounts in the 1974 consolidated financial statements have been restated for comparative purposes.



Box 51 Toronto-Dominion Centre
Toronto, Ont. M5K 1G1
(416) 863-1133 Telex 02-2246

March 8, 1976

To the Shareholders of
Moore Corporation Limited:

We have examined the consolidated balance sheet of Moore Corporation Limited and its subsidiary corporations as at December 31, 1975 and the consolidated statements of earnings, retained earnings and changes in financial position for the year then ended. Our examination of the financial statements of Moore Corporation Limited and those subsidiaries of which we are the auditors included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances. We have relied on the report of the auditors of Lamson Industries Limited.

In our opinion these consolidated financial statements present fairly the financial position of the corporations as at December 31, 1975 and the results of their operations and the changes in their financial position for the year then ended, in accordance with generally accepted accounting principles which, except for the accounting change, with which we concur, described in Note 2 relating to the investment in associated corporations, have been applied on a basis consistent with that of the preceding year.

Price Waterhouse & Co.
Chartered Accountants



Ten-Year Summary

Expressed in United States currency in thousands of dollars

Income Statistics	1975	1974	1973(i)	1972
Sales	\$1,005,610	\$1,032,192	\$607,129	\$499,400
Earnings before income taxes, minority interests and extraordinary item	155,063	170,924	115,533	95,400
Per dollar of sales	15.4¢	16.6¢	19.0¢	19.1¢
Income taxes	83,597	91,825	60,407	49,400
Per dollar of sales	8.3¢	8.9¢	9.9¢	9.9¢
Net earnings—footnote (ii)	69,512	74,725	55,760	46,000
Per dollar of sales	6.9¢	7.2¢	9.2¢	9.2¢
Per share—footnote (iii)	\$ 2.48	\$ 2.67	\$ 1.96	\$ 1.96
Dividends	33,621	26,894	21,970	19,100
Per share—footnote (iii)	\$ 1.20	96.0¢	77.5¢	67.5¢
Earnings retained in business	35,891	47,831	33,790	26,900
Balance Sheet and Other Statistics	1975	1974	1973	1972
Current assets	\$ 424,105	\$ 443,393	\$346,328	\$206,900
Current liabilities	136,386	181,317	116,719	53,800
Working capital	287,719	262,076	229,609	153,100
Ratio of current assets to current liabilities . . .	3.1 to 1	2.4 to 1	3.0 to 1	3.8 to 1
Fixed assets (net)	287,589	277,362	246,399	152,800
Shareholders' equity	397,278	358,398	310,020	288,600
Per share—footnote (iii)	\$ 14.18	\$ 12.79	\$ 11.07	\$ 10.00
Number of shareholders	20,198	20,668	21,303	21,500
Number of employees	26,279	29,535	28,760	16,400

1971	1970	1969	1968	1967	1966
448,944	\$431,841	\$398,836	\$341,275	\$306,665	\$278,734
83,708 18.7¢	79,563 18.4¢	78,151 19.6¢	67,398 19.7¢	58,998 19.2¢	53,875 19.3¢
43,886 9.8¢	42,032 9.7¢	42,439 10.6¢	36,524 10.7¢	29,639 9.6¢	27,015 9.7¢
39,822 8.9¢ 1.40	37,531 8.7¢ \$ 1.32	35,712 9.0¢ \$ 1.26	30,874 9.0¢ \$ 1.09	29,359 9.6¢ \$ 1.04	26,860 9.6¢ 95¢
17,056 60.0¢	16,326 57.5¢	13,819 48.8¢	12,747 45.0¢	12,204 43.1¢	10,331 36.6¢
22,766	21,205	21,893	18,127	17,155	16,529

1971	1970	1969	1968	1967	1966
162,056	\$150,839	\$138,270	\$120,984	\$108,547	\$ 94,497
43,539	63,379	56,056	45,123	34,835	28,818
118,517 3.7 to 1	87,460 2.4 to 1	82,214 2.5 to 1	75,861 2.7 to 1	73,712 3.1 to 1	65,679 3.3 to 1
149,675	142,146	123,923	104,201	85,881	74,590
261,569 9.20	238,228 \$ 8.39	216,525 \$ 7.63	193,222 \$ 6.82	175,048 \$ 6.18	157,464 \$ 5.57
22,326	23,636	23,225	21,811	18,923	13,222
15,783	16,630	16,717	14,899	14,151	13,448

(i)
Effective November 23, 1973, when the majority interest in Lamson Industries Limited was acquired, the accounts of that company have been included on a consolidated basis.

(ii)
Net earnings include extraordinary earnings of \$2,000,000 equivalent to 7¢ per share in 1974 and \$864,000 or 3¢ per share in 1973.

(iii)
Net earnings per share, dividends per share and shareholders' equity per share in the year 1966 have been adjusted to reflect the four for one subdivision of the Common shares in 1967.



Moore
Corporation
Limited

Subsidiary Corporations

MOORE BUSINESS FORMS, INC.—United States

LAMSON INDUSTRIES LIMITED—Great Britain

MOORE BUSINESS FORMS de MEXICO, S.A. de C.V.—Mexico

MOORE FORMULÁRIOS LIMITADA—Brazil

MOORE BUSINESS FORMS de PUERTO RICO, S.A.—Puerto Rico

MOORE BUSINESS FORMS CARIBBEAN LIMITED—Jamaica

FORMULARIOS COMERCIALES de CENTRO AMERICA, LTDA.
—Guatemala

F. N. BURT COMPANY, INC.—United States

REID DOMINION PACKAGING LIMITED—Canada

Associated Corporations

TOPPAN MOORE BUSINESS FORMS CO., LTD.—Japan

FORMULARIOS Y PROCEDIMIENTOS MOORE, S.A.—Venezuela

MOORE BUSINESS FORMS de CENTRO AMERICA, S.A. de C.V.
—El Salvador

Countries in which Moore Operates

The world-wide operations of Moore Corporation Limited are indicated by the following countries in which the Corporation conducts business:

United States	Venezuela	Great Britain
Canada	Barbados	France
Japan	Hong Kong	Netherlands
Mexico	South Africa	Belgium
Brazil	Rhodesia	Sweden
Puerto Rico	Kenya	Italy
El Salvador	India	Austria
Guatemala	Australia	Portugal
Argentina	New Zealand	Denmark
Jamaica		Norway
		Switzerland
		Irish Republic



Moore
Corporation
Limited

Board of Directors

IRWIN A. BAILEY London, England
Senior Vice-President
Vice-Chairman,
Lamson Industries Limited

DAVID W. BARR Toronto *Chairman*

EDWARD H. CRAWFORD Toronto
President,
The Canada Life Assurance Company

J. DOUGLAS GIBSON Toronto
Chairman,
The Consumers' Gas Company

L. EDWARD GRUBB Toronto
Chairman and Chief Officer,
The International Nickel Company
of Canada, Limited

RICHARD W. HAMILTON Toronto
President

EDWIN H. HEENEY Toronto
Chairman of the Board,
National Trust Company, Limited

BERNARD H. PEARCE London, England
Chairman, Lamson Industries Limited

W. HAROLD REA Toronto *Chairman,*
Great Canadian Oil Sands Limited

Honorary Directors

W. HERMAN BROWNE Toronto

J. STUART FLEMING
Niagara Falls, N.Y.

ROBERT A. LAIDLAW Toronto

V. WILLIAM SCULLY Toronto

ALAN H. TEMPLE New York, N.Y.

Officers

Chairman of the Board
DAVID W. BARR

President
RICHARD W. HAMILTON

Senior Vice-President
IRWIN A. BAILEY

Senior Vice-President—Finance
JUDSON W. SINCLAIR

Vice-President and Secretary
FRANK W. WOODS

Treasurer
DONALD S. DUNLOP

Management of Principal Subsidiaries and Operating Divisions

Business Forms and Related Product Lines

MOORE BUSINESS FORMS, INC.

EASTERN DIVISION—Niagara Falls, N.Y.
Stanley D. Waltman, *Vice-President and General Manager*

PACIFIC DIVISION—Oakland, Cal.
Lee C. Rumph, *Vice-President and General Manager*

CENTRAL DIVISION—Glenview, Ill.
Maurice O. Beverley, *Vice-President and General Manager*

SOUTHERN DIVISION—Denton, Tex.
Chester H. Naukam, *Vice-President and General Manager*

REDIFORM OFFICE PRODUCTS DIVISION—Paramus, N.J.
Clayton J. Barth, *General Manager*

MACHINERY AND BUSINESS EQUIPMENT DIVISION—Dover, N.H.
John L. Wilson, *General Manager*

RESEARCH DIVISION—Niagara Falls, N.Y.
Robert H. Downie, *Vice-President and General Manager*

MARKETING—Niagara Falls, N.Y.
Henry P. Cooper, *Director of Marketing*

LAMSON INDUSTRIES LIMITED—London, England
Jean-Paul R. M. Evans, *Managing Director*

MOORE BUSINESS FORMS—Toronto, Ont.
DIVISION OF MOORE CORPORATION LIMITED
Wilbur M. Nichols, *Vice-President and General Manager*

MOORE BUSINESS FORMS INTERNATIONAL—Toronto, Ont.
DIVISION OF MOORE CORPORATION LIMITED
John M. Kirkpatrick, *Vice-President and General Manager*
MOORE BUSINESS FORMS de MEXICO, S.A. de C.V.
—Tlalnepantla, Mexico
Earl C. Kraft, *Vice-President and General Manager*

MOORE FORMULÁRIOS LIMITADA—São Paulo, Brazil
James L. Saunders, *General Manager*

Custom Packaging

F. N. BURT COMPANY, INC.—Buffalo, N.Y.
Ralph W. Seiler, *Vice-President and General Manager*

REID DOMINION PACKAGING LIMITED—Hamilton, Ont.
Richard W. Bastien, *Executive Vice-President and General Manager*



Moore
Corporation
Limited



Moore Products in Everyday Life

Business forms fulfil a central function throughout the world in just about every accounting, statistical and recordkeeping operation. Business forms are widely used in offices of every kind and size, in shops, in hospitals, and in our schools and colleges. The impact of business forms on an individual is most common when he or she is shopping, dining out, paying bills or travelling.

Moore is the world's largest designer and manufacturer of business forms. These pages illustrate only a few of the various types of Moore products which are often used in almost everyone's daily activities.

Air Travel

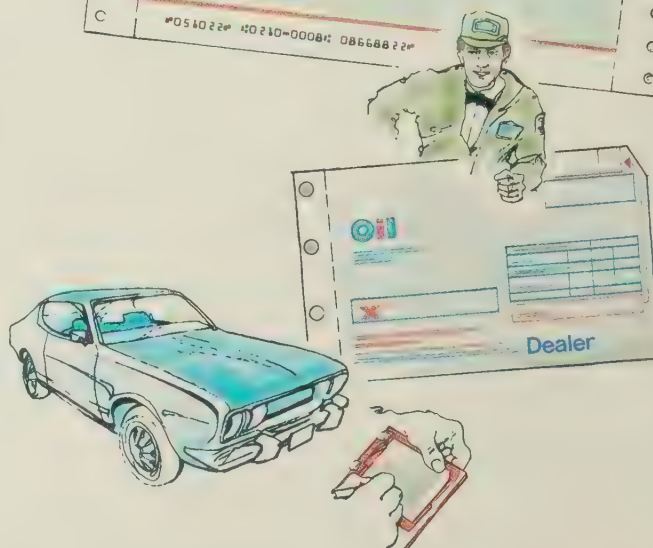
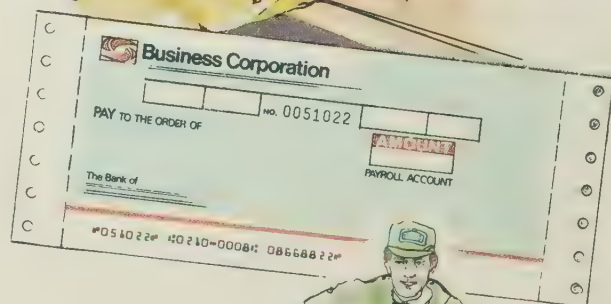
More and more airlines are writing tickets by computer and using Moore forms to speed the transaction. They are precision printed in colours to highlight flight dates, times and other important data for the traveller and the airline.

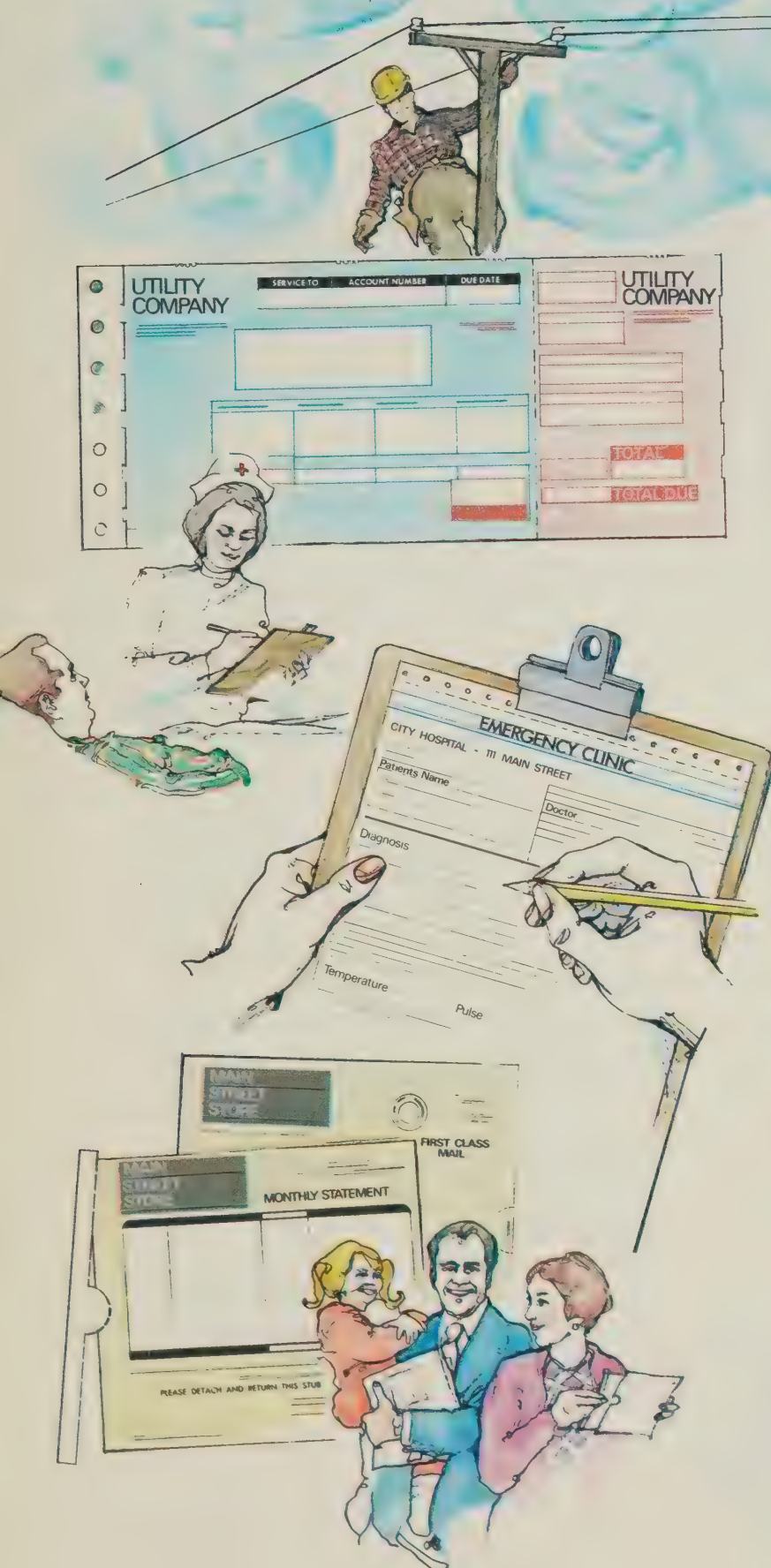
Payroll Cheques

Moore cheques for processing by typewriter or computer are precision designed to include a voucher which details hours worked, deductions and other data for the employee, the employer and the bank.

The Service Station

The Moore product line includes a tremendous volume of oil and gasoline charge slips. These are produced in "set" form incorporating a document for data processing, one-time carbon and special thin moisture-resistant paper.





Utility Bills

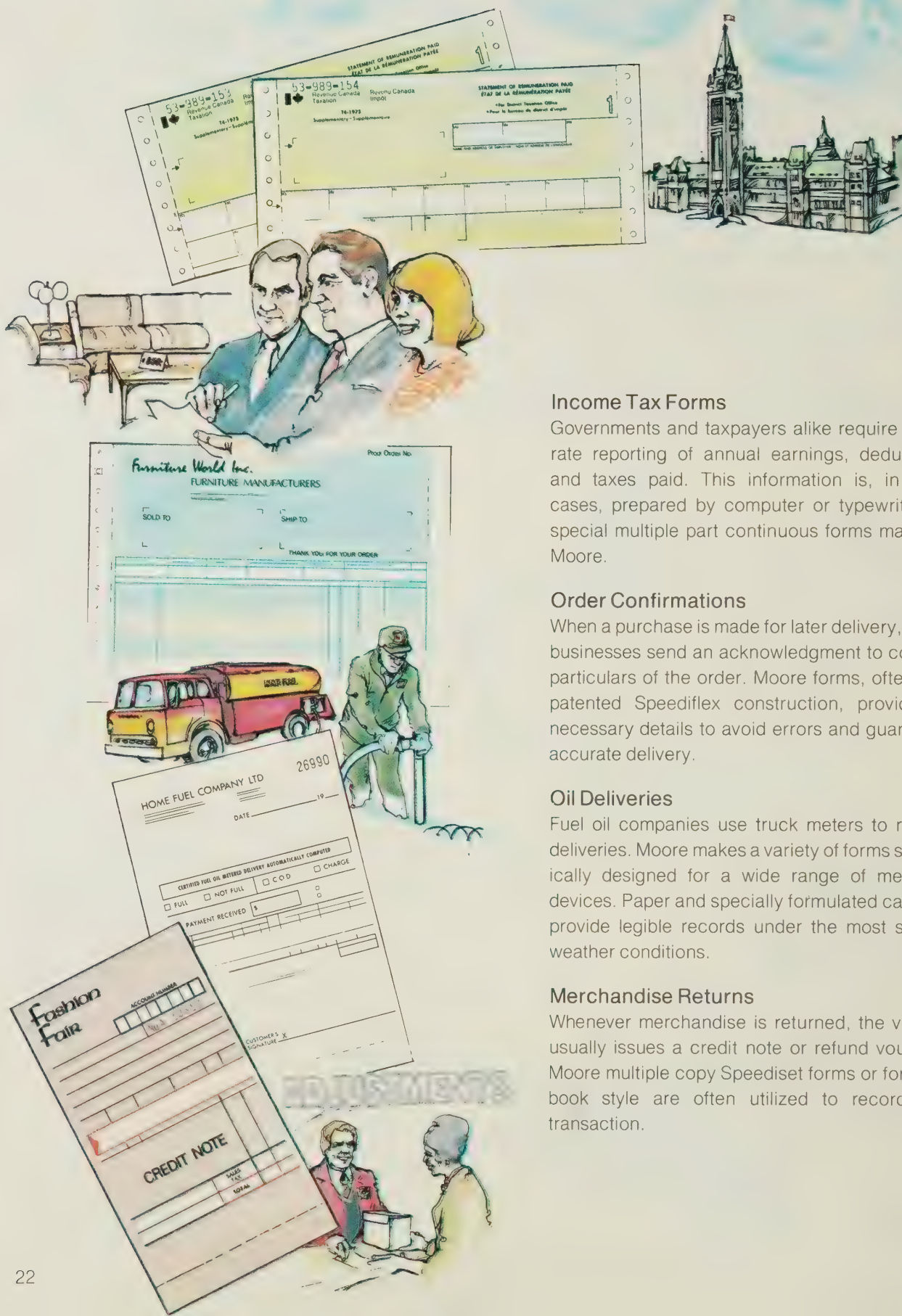
Utility bills, made by Moore, provide details of telephone, electricity, water and gas usage and charges to hundreds of millions of users around the world. They are manufactured in a number of ways—in continuous form—often as heat-sealed post cards, or in data processing card constructions.

Medical Records

From admission to discharge, Moore forms help medical and administrative staffs in the care of hospital patients. Admittance data, diagnostic reports, medication orders, medical histories, and other relevant information are recorded on Moore forms.

Monthly Statements

When goods or services are charged, it's quite possible that the initial record and subsequent monthly statement details are recorded on Moore forms. Continuous Moore Speedimailer forms prepared by computer provide the purchaser and the seller with all necessary information and records.



Income Tax Forms

Governments and taxpayers alike require accurate reporting of annual earnings, deductions and taxes paid. This information is, in most cases, prepared by computer or typewriter on special multiple part continuous forms made by Moore.

Order Confirmations

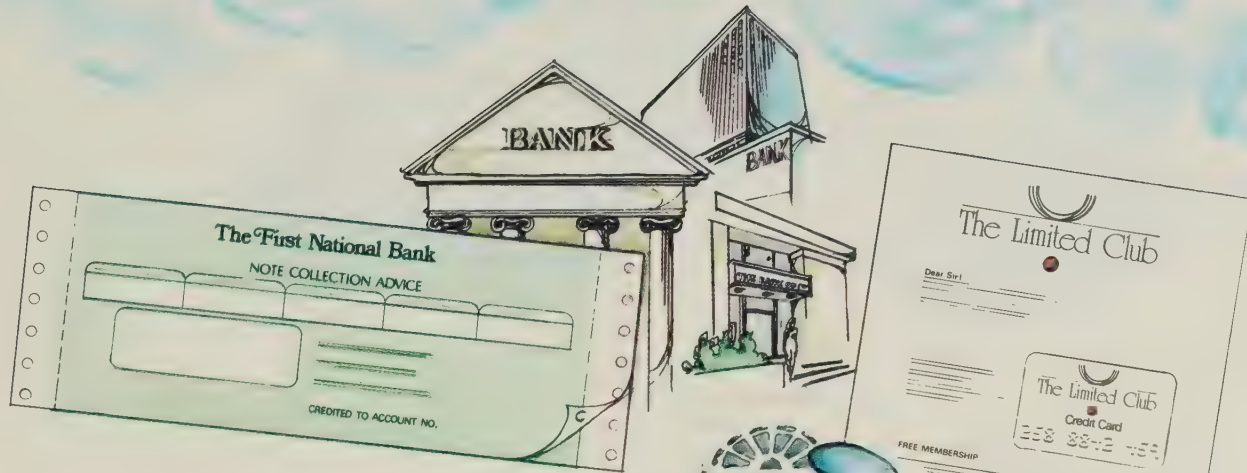
When a purchase is made for later delivery, many businesses send an acknowledgment to confirm particulars of the order. Moore forms, often in a patented Speediflex construction, provide all necessary details to avoid errors and guarantee accurate delivery.

Oil Deliveries

Fuel oil companies use truck meters to record deliveries. Moore makes a variety of forms specifically designed for a wide range of metering devices. Paper and specially formulated carbons provide legible records under the most severe weather conditions.

Merchandise Returns

Whenever merchandise is returned, the vendor usually issues a credit note or refund voucher. Moore multiple copy Speediset forms or forms in book style are often utilized to record this transaction.



Direct Mail Advertising

There is a growing use of the mail for advertising both consumer and business goods and services. Moore computer-prepared letters and Speedicard reply forms significantly contribute to the success and appeal of this type of advertising.

Banking Transactions

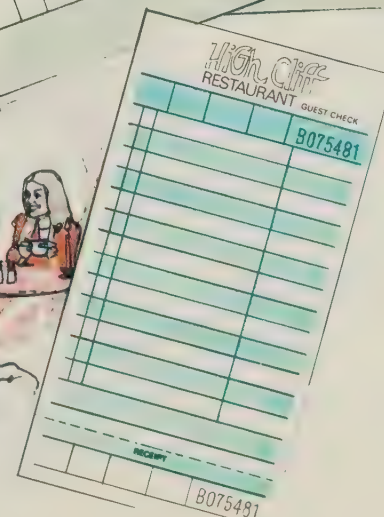
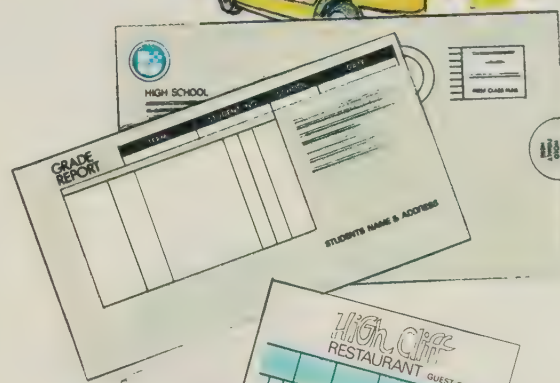
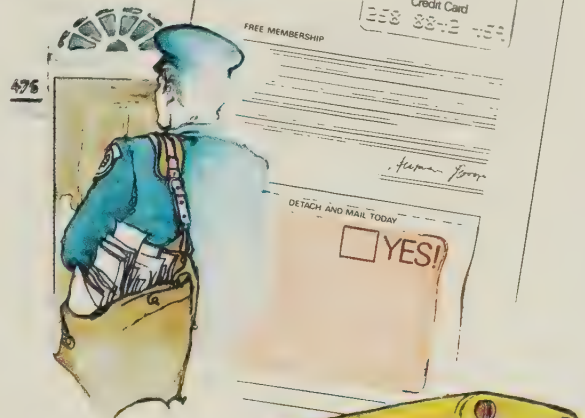
Communications from a bank to its customers about their accounts, including statements and receipts of deposits are also recorded on specially designed Moore forms. Patented Moore Carbonless Paper provides clean, legible copies for the customer and the bank.

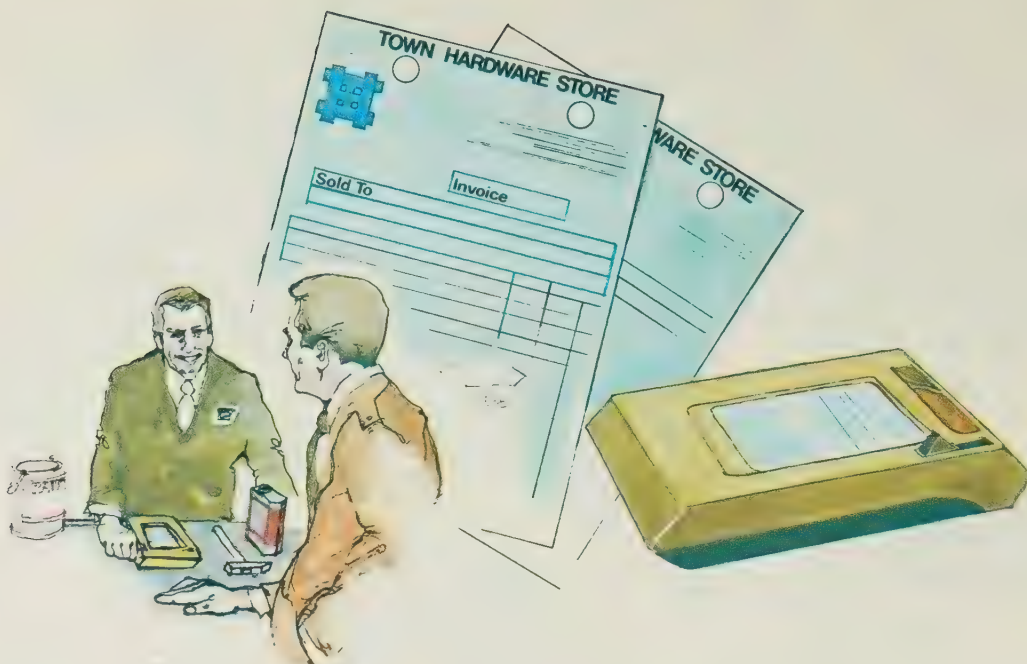
Student Grades

Many schools and universities mail grade reports and other information concerning each student's progress. Moore "self-mailer" products and other special reports assist in the task of keeping everyone informed.

Restaurant Checks

Attractively lithographed restaurant checks are creatively designed by Moore to provide distinctive forms for dining establishments around the world. These give the restaurant the necessary control while providing the guest with a complete record.





Retail Stores

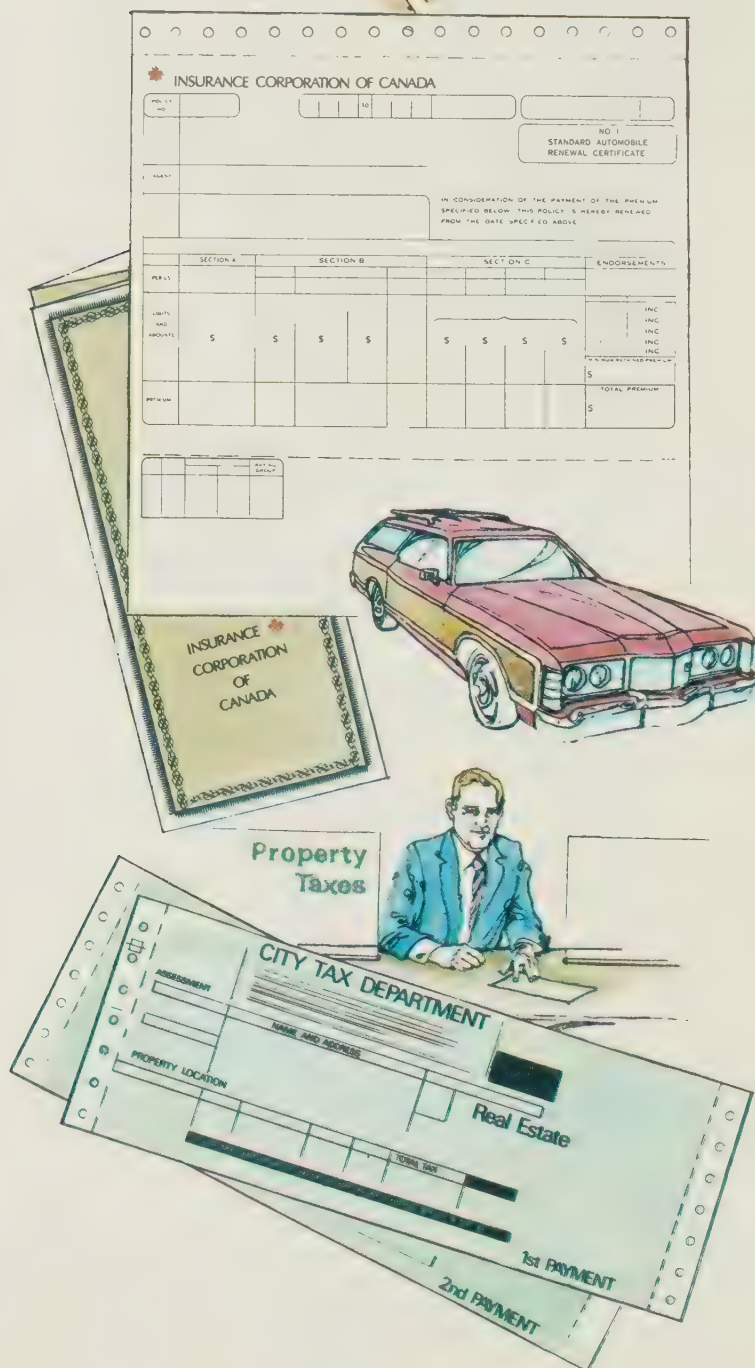
Thousands of retail stores use Moore Registers and forms to record cash and charge sales. Acknowledged as the fastest method of making hand-written records, this form-system produces copies for both the merchant and the customer.

Insurance Premiums

Moore makes special forms for mailing premium payment notices for all kinds of insurance—automobile, life, property, health and accident. These forms can be Speedisets for typewriter preparation or continuous for computer printout, and speed the communication of information while reducing billing costs.

Tax Bills

Every property owner receives municipal assessment notices and tax bills. Moore designs and manufactures a wide variety of products to aid all levels of government in communicating with the taxpayer.



MOORE
CORPORATION
LIMITED

and subsidiary corporations



Interim Report to the Shareholders

for the six months ended June 30, 1975

The impact of the recession which prevailed throughout the world is reflected in both sales and earnings for Moore in the quarter ended June 30, 1975. Sales for the quarter were \$249.5 million, an increase of 2.8% over the same period last year. For the six months to June 30, 1975, sales were \$512.0 million, representing a gain of 7.5% over the comparable 1974 figure.

Net earnings for the second quarter of \$16.8 million, or 60¢ per share, showed very little increase over the \$16.5 million, or 59¢ per share, earned before extraordinary item in the same period of 1974. For the six month period net earnings were \$35.1 million or 11.3% ahead of the comparable figure of \$31.5 million before extraordinary item in the first half of 1974. Net earnings per share for the six month period were \$1.25 compared to \$1.13 last year before extraordinary item.

Earnings of Lamson Industries Limited continued to be adversely affected by general economic conditions and after consolidation adjustments made no contribution to Moore results for the first six months.

Prospects for an economic improvement in the United States during the last six months appear good. Historically, however, the business forms industry lags behind changes in the economy, and it is not expected that the effect of the anticipated improvement will be reflected in Moore results until the last three months of the year.

W. H. BROWNE
Chairman

D. W. BARR
President

July 31, 1975

MOORE
CORPORATION
LIMITED

and subsidiary corporations

Consolidated Statement of Earnings

expressed in United States currency in thousands of dollars

	Three Months Ended June 30		Six Months Ended June 30	
	1975	1974*	1975	1974*
Sales	\$249,543	\$242,826	\$512,046	\$476,401
Cost of sales, selling and adminis- trative expenses	207,914	199,582	423,531	392,159
Depreciation	5,952	5,409	11,754	10,667
	<u>213,866</u>	<u>204,991</u>	<u>435,285</u>	<u>402,826</u>
Income from operations	35,677	37,835	76,761	73,575
Investment and other income	1,215	1,370	1,989	2,671
Earnings before income taxes, minor- ity interests and extraordinary item	36,892	39,205	78,750	76,246
Income taxes	19,823	21,095	42,173	41,031
	<u>17,069</u>	<u>18,110</u>	<u>36,577</u>	<u>35,215</u>
Minority interests	268	1,643	1,476	3,666
Earnings before extraordinary item	<u>16,801</u>	<u>16,467</u>	<u>35,101</u>	<u>31,549</u>
Extraordinary item—profit on sale of fixed assets	—	2,000	—	2,000
NET EARNINGS	<u>\$ 16,801</u>	<u>\$ 18,467</u>	<u>\$ 35,101</u>	<u>\$ 33,549</u>
Before extraordinary item				
Per dollar of sales	6.7¢	6.8¢	6.9¢	6.6¢
Per Common share	60¢	59¢	\$1.25	\$1.13
After extraordinary item				
Per dollar of sales	6.7¢	7.6¢	6.9¢	7.0¢
Per Common share	60¢	66¢	\$1.25	\$1.20



Consolidated Statement of Changes in Financial Position

expressed in United States currency in thousands of dollars

	Six Months Ended June 30	
	1975	1974*
SOURCES OF WORKING CAPITAL		
Earnings before extraordinary item	\$ 35,101	\$ 31,549
Items not requiring current outlay of working capital, principally depreciation, deferred income taxes and minority interests . .	15,701	18,145
Working capital from operations	50,802	49,694
Additions to long-term debt	4,227	5,772
Sale of fixed assets	819	3,839
Common shares issued	8	523
Other sources	84	888
	<u>55,940</u>	<u>60,716</u>
APPLICATIONS OF WORKING CAPITAL		
Expenditure for fixed assets	19,759	26,242
Dividends	16,811	12,045
Deferred charges	418	1,602
Reductions in long-term debt	6,299	338
Other applications	337	561
	<u>43,624</u>	<u>40,788</u>
INCREASE IN WORKING CAPITAL	<u><u>\$ 12,316</u></u>	<u><u>\$ 19,928</u></u>

These statements are unaudited and subject to year-end adjustments.

*The 1974 figures have been restated to reflect accounting changes adopted in the latter part of that year.

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MOORE
CORPORATION
LIMITED



Interim
Report
to the
Shareholders

For the six months ended

June 30, 1975